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C O N F I D E N T I A L SECTION 01 OF 04 JAKARTA 010136

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E.O. 12958: DECL: 08/10/2016 TAGS: PREL MASS MARR ID

SUBJECT: ILLICIT ARMS CACHE ACTIVATES INDONESIAN RUMOR MILL

REF: A. A. USDAO JAKARTA ID DTG 240422Z JUL 06

- <u>1</u>B. B. 05 JAKARTA 12822 RETIRED GENERALS TAKE AIM AT SBY
- 1C. C. 05 JAKARTA 12416 INDONESIAN OPPOSITION GROUP
- 1D. D. 04 JAKARTA 10111 ARMED FORCES COMMANDER HEARING
- 1E. E. 04 JAKARTA 6446 FEAR OF VIOLENCE FROM WIRANTO

Classified By: POLITICAL OFFICER ERIC W. KNEEDLER, REASONS 1.4 (B) AND (D).

(C) Summary: On August 9 the Indonesian Army, s National Military Police announced the results of its investigation into the 185 guns and other weaponry discovered by authorities in Brigadier General Koesmayadi, s homes and office following his June 25 death of natural causes. TNI Commander Djoko Suyanto announced, to a very skeptical Indonesian public, that General Koesmayadi acquired the weapons for his personal collection. The official results of the investigation notwithstanding, the mysterious arms cache has not only highlighted the weak-to-nonexistent supervision of weapons procurement in the TNI, but generated persistent if not entirely credible - rumors that it was to be used in conjunction with a coup attempt. The President,s own suspicion, according to an advisor, is that the weapons might have been earmarked for destabilization activities against the government. Other theories range from a belief that Koesmayadi was involved in arms sales, to the now official story that he was simply an avid gun collector. The Suyanto pronouncement was in response to a July 10 directive from the Indonesian House of Representatives (DPR); it remains to be seen if they will accept the gun collector explanation or demand that the matter be pursued further. End Summary.

KOESMAYADI,S ARSENAL

- 12. (C) Lss than one day after Brigadier General Koesmayadi died of a heart attack, unsuspecting TNI officer charged with repossessing military hardware fro retired and deceased military personnel stumbledupon Koesmayadi,s extensive weapons stash. Accoding to the local Indonesian magazine Tempo, invstigators soon uncovered 1 85 guns, 28,976 roundsof ammunition, nine grenades, and binoculars store among his three residences, an office, and a frind,s house. According to media reports, Koesmayai,s stockpile included SS1s, MP5s, M-16s, and AK47s.
- ¶3. (C) Local media outlets have reported etensively on Koesmayadi,s arms procurement activties for the TNI, and his collection appears to b at least partially a byproduct of this role. Tmpo also reported he sourced his weapons from Soth Africa, Switzerland, Ch(echnya, Thailand, Hong

Kong, Bk*t a, Poland, South Korea, Bulgaria and China, among other loc`tin*s.

THE VIEW FROM THE PALACE

14. (C) The most serious rumor we have ha rd about the possible motivation behind the assembly of the arsenal came from the President himseff. In view of the efforts by some former militay(officials and politicians to weaken the SBY goeernment, as well as the provenance of some of the

officials involved, the President was reported to have speculated soon after the discovery that thi extensive arsenal might have been accumulated t create a sense of instability in the country. iiven the history of involvement of many of theses "ame people in the destabilization campaigns that led to Soeharto,s fall in 1998, and East Timor in 1999, as well as Koesmayadi,s close ties with former Army Chief of Staff Ryamizard Ryacudu, there is plenty of circumstantial information to support such speculation. Refs E & B reported on the possibility that former Armed Forces Commander Wiranto,s fingerprints may have been on such plots in the past, and we know from the President,s advisors that SBY takes such rumors extremely seriously. We have reported in the past (REF C) on Palace concerns about the meetings of former presidents and other officials designed to advance a common agenda of weakening the administration and noted Ryamizard, s ties with this group.

15. (C) Shortly after the arms cache first became public, SBY called for a thorough investigation and we were informed privately that they expected it would cast a wide net and implicate a number of very senior officers. The temptation

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to use the case for a major house-cleaning in the Army seems to be great, but Suyanto,s announcement suggests this is unlikely in the near term, at least. We have heard that very senior military figures are still watching to see if the issue will develop further and are concerned about the number of heads that may ultimately roll as a result (Ref A).

SETTLING A POLITICAL VENDETA

- 17. (C) More than a few of our contacts have suggested the original, very public announcement of the arms cache discovery represented a thinly veiled attempt by the administration to discredit former Army Chief of Staff Ryamizard Ryacudu by going after his faithful former adjutant (Note: Koesmayadi served as a Logistics Assistant to Ryamizard when he was the Commander of the Army Special Forces and later became the Army, s Officer for Logistical Support when Ryamizard was promoted to Army Chief of Staff in $\P2002$. End Note). It is no great secret in Jakarta that Ryamizard and SBY continue to be on frigid terms after SBY overturned former President Megawati,s decision to make him Armed Forces Commander (REF B). Adding to this view is the unusual public scrutiny of what some would consider an internal TNI issue. Just four days after the weapons cache discovery, Army Chief of Staff General Djoko Santoso announced the discovery of the cache and told the Jakarta Post that Koesmayadi,s collection was "beyond acceptable practice," a noteworthy statement if only because public TNI comments on ongoing investigations are rare.
- 18. (C) Then National Intelligence Agency (BIN) Chief Syamsir Siregar piled on, putting the blame for the illicit cache more squarely on Ryamizard,s shoulders. Just a few days after Djoko Santoso,s comments, the BIN Chief announced the arms were purchased by Koesmayadi in phases between 2000 and 2003 and that the Army inspector general at the time reported the transactions to Ryamizard directly and recommended they be registered; despite the recommendation, the BIN Chief noted Ryamizard took no action and the weapons remained

WEAPONS FOR A COUP, THRIVING BUSINESS, OR A SIGN OF DISARRAY?

- 17. (C) Given the size and scope of the weapons stash, many Indonesian media outlets here have reported rumors that Koesmayadi developed his arsenal for a coup d,etat. The coup rumor gained traction because of the animosity between Ryamizard and SBY, and because of Koesmayadi,s theoretical capacity to equip a small army of co-conspirators. Djoko Santoso and others have publicly stated though that there is little evidence to substantiate this theory.
- 18. (U) A more popular school of thinking here suggests Koesmayadi was at the heart of a thriving illegal weapons trade. Ref A reported on Koesmayadi,s alleged venture into Papua,s illegal logging business, and it would not take much of a stretch of the imagination to believe Koesmayadi was operating an illegal arms business out of his house. Several of our contacts believe though that the cache was merely the tip of the iceberg and that Koesmayadi had a substantial network of shadowy businesses and contacts.
- 19. (U) Regardless of whether Koesmayadi was stockpiling these weapons for a destabilization effort, a business venture, or even as a part of a private collection, the discovery of the cache turned the spotlight on the TNI,s inability to manage and account for its weapons. According to Tempo magazine, one unnamed TNI official attempted to explain the cache as a function of a beefed up effort to inventory the TNI,s weapons stock. This unnamed source told Tempo the weapons had piled up there simply because of an administrative problem.

DPR LEAPS AT THE OPPORTUNITY TO APPEAR USEFUL

110. (C) The DPR,s Commission I, for defense and security affairs, convened an extraordinary session on July 10 to begin an inquiry into the arms cache issue. Commission I heard testimony from Defense Minister Juwono Sudarsono, Commander Suyanto, Army Chief of Staff Djoko Santoso, and other top military officials. During the course of his

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testimony, Commander Suyanto announced the TNI would conclude the investigation by August $9. \,$

111. (C) Several prominent legislators have criticized the administration,s handling of the arms cache discovery, while others have pointed to the cache as a symbol of the glacial pace of the TNI,s reform. In a recent conversation with Ade Nasution, one of Commission I,s more outspoken parliamentarians and a member of the Reform Star Party (PBR), Ade told us he was confident the TNI would conduct a thorough and transparent investigation. Ade added that in the event Commission I was not satisfied with the TNI,s findings, the DPR would simply ask the TNI to investigate the matter further (Note: The DPR is in recess until next week and will not rule on whether the TNI needs to investigate the matter further until after it reconvenes. End Note). Ade, who has been a fixture on the Indonesian news since the case was announced, dismissed the significance of the cache, characterizing it as not all that unique or significant. He added that parliamentarians have eagerly embraced the issue in public primarily because it generated media attention for them and served as a useful vehicle to showcase the DPR,s watchdog role.

ARMS ACQUISITION ACTIVITIES NOT UNPRECEDENTED

112. (C) Many of our contacts have mirrored Ade,s comments and portrayed the discovery of the arms cache as not

particularly surprising or noteworthy. In a recent conversation with Salim Said, a TNI expert from the Center for Strategic Studies, Salim told us Koesmayadi,s arms stockpile was not without precedent in recent Indonesia history. Salim noted that former Armed Forces Commander Benny Murdani and General Prabowo Subianto are both widely known to have developed sizeable arms collections either for personal use or to outfit their troops beyond official standards. Said suspected Koesmayadi was able to develop such a formidable arsenal because Ryamizard allowed him to operate virtually unchecked. He said the discovery of the cache spoke volumes about the almost lawless way the TNI handled weapons procurement, but he doubted the weapons were part of a more significant, nefarious plot.

INDONESIA,S RAMBO

- 113. (C) Poempida Hidayatulloh, the Golkar Deputy Treasurer and a close family friend of Koesmayadi, has told us Koesmayadi was a quick tempered, but well-respected soldier with a reputation for getting things done quickly and without regard to rules, regulations, or protocol. Poempida said Koesmayadi built this reputation largely on the strength of his unparalleled weapons procurement skills. Poempida mentioned that he personally had benefited from Koesmayadi,s talents in this regard, admitting that he had called on Koesmayadi,s services to import several hunting rifles. Poempida said Koesmayadi,s renown gave him the ability to bring weapons over Indonesia,s borders without inspection.
- 114. (C) Poempida told us Koesmayadi,s stature also gave him an almost legendary authority that was out of proportion with his military rank. As an illustration of this phenomenon, Poempida related a story about Koesmayadi in which Koesmayadi was at the home of Fahmi Idris (Note: Idris is the Minister of Industry and Poempida,s father-in-law. End Note) and boasted about his influence. In order to demonstrate this influence, Koesmayadi asked Fahmi to name any general he could think of, guaranteeing that he could have the general report to Fahmi,s house within thirty minutes. According to Poempida, Fahmi indulged Koesmayadi, randomly named a two-star general, and then was shocked when the unnamed two-star showed up at his house less than thirty minutes later, eager to assist Koesmayadi in any way.
- ¶15. (C) Poempida reported to us that Koesmayadi once shot and killed a colleague when an argument became heated. Poempida also said he thought Koesmayadi was somewhat mentally unbalanced, an opinion that was apparently shared by many. Despite all of the stories, and Koesmayadi,s apparent standing and influence within the military, Poempida told us he was absolutely convinced Koesmayadi had the weapons either as part of a collection or for commercial purposes. He was certain the weapons were not intended for a coup.

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COMMENT

116. (C) Although the TNI officially concluded the cache was for Koesmayadi,s personal use, the fact remains there are very few people that believe this official explanation. We will be watching to see whether the DPR opts to pursue the matter to burnish their reformist credentials, or if the military will decide to use it to further eliminate Ryamizard,s influence in the Army. PASCOE